

105TH CONGRESS  
2D SESSION

# H. R. 2696

---

IN THE SENATE OF THE UNITED STATES

MARCH 19, 1998

Received; read twice and referred to the Committee on the Judiciary

---

## AN ACT

To amend title 17, United States Code, to provide for  
protection of certain original designs.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be referred to as the “Vessel Hull De-  
3 sign Protection Act”.

4 **SEC. 2. PROTECTION OF CERTAIN ORIGINAL DESIGNS.**

5       Title 17, United States Code, is amended by adding  
6 at the end the following new chapter:

7 **“CHAPTER 12—PROTECTION OF ORIGINAL**  
8 **DESIGNS**

“Sec.

“1201. Designs protected.

“1202. Designs not subject to protection.

“1203. Revisions, adaptations, and rearrangements.

“1204. Commencement of protection.

“1205. Term of protection.

“1206. Design notice.

“1207. Effect of omission of notice.

“1208. Exclusive rights.

“1209. Infringement.

“1210. Application for registration.

“1211. Benefit of earlier filing date in foreign country.

“1212. Oaths and acknowledgments.

“1213. Examination of application and issue or refusal of registration.

“1214. Certification of registration.

“1215. Publication of announcements and indexes.

“1216. Fees.

“1217. Regulations.

“1218. Copies of records.

“1219. Correction of errors in certificates.

“1220. Ownership and transfer.

“1221. Remedy for infringement.

“1222. Injunctions.

“1223. Recovery for infringement.

“1224. Power of court over registration.

“1225. Liability for action on registration fraudulently obtained.

“1226. Penalty for false marking.

“1227. Penalty for false representation.

“1228. Enforcement by Treasury and Postal Service .

“1229. Relation to design patent law.

“1230. Common law and other rights unaffected.

“1231. Administrator; Office of the Administrator.

“1232. No retroactive effect.

9 **“§ 1201. Designs protected**

10       “(a) DESIGNS PROTECTED.—

1           “(1) IN GENERAL.—The designer or other  
2           owner of an original design of a useful article which  
3           makes the article attractive or distinctive in appear-  
4           ance to the purchasing or using public may secure  
5           the protection provided by this chapter upon comply-  
6           ing with and subject to this chapter.

7           “(2) VESSEL HULLS.—The design of a vessel  
8           hull, including a plug or mold, is subject to protec-  
9           tion under this chapter, notwithstanding section  
10          1202(4).

11          “(b) DEFINITIONS.—For the purpose of this chapter,  
12          the following terms have the following meanings:

13               “(1) A design is ‘original’ if it is the result of  
14               the designer’s creative endeavor that provides a dis-  
15               tinguishable variation over prior work pertaining to  
16               similar articles which is more than merely trivial and  
17               has not been copied from another source.

18               “(2) A ‘useful article’ is a vessel hull, including  
19               a plug or mold, which in normal use has an intrinsic  
20               utilitarian function that is not merely to portray the  
21               appearance of the article or to convey information.  
22               An article which normally is part of a useful article  
23               shall be deemed to be a useful article.

24               “(3) A ‘vessel’ is a craft, especially one larger  
25               than a rowboat, designed to navigate on water, but

1 does not include any such craft that exceeds 200  
2 feet in length.

3 “(4) A ‘hull’ is the frame or body of a vessel,  
4 including the deck of a vessel, exclusive of masts,  
5 sails, yards, and rigging.

6 “(5) A ‘plug’ means a device or model used to  
7 make a mold for the purpose of exact duplication,  
8 regardless of whether the device or model has an in-  
9 trinsic utilitarian function that is not only to portray  
10 the appearance of the product or to convey informa-  
11 tion.

12 “(6) A ‘mold’ means a matrix or form in which  
13 a substance for material is used, regardless of  
14 whether the matrix or form has an intrinsic utilitar-  
15 ian function that is not only to portray the appear-  
16 ance of the product or to convey information.

17 **“§ 1202. Designs not subject to protection**

18 “Protection under this chapter shall not be available  
19 for a design that is—

20 “(1) not original;

21 “(2) staple or commonplace, such as a standard  
22 geometric figure, a familiar symbol, an emblem, or  
23 a motif, or another shape, pattern, or configuration  
24 which has become standard, common, prevalent, or  
25 ordinary;

1           “(3) different from a design excluded by para-  
2           graph (2) only in insignificant details or in elements  
3           which are variants commonly used in the relevant  
4           trades;

5           “(4) dictated solely by a utilitarian function of  
6           the article that embodies it; or

7           “(5) embodied in a useful article that was made  
8           public by the designer or owner in the United States  
9           or a foreign country more than 1 year before the  
10          date of the application for registration under this  
11          chapter.

12   **“§ 1203. Revisions, adaptations, and rearrangements**

13          “Protection for a design under this chapter shall be  
14          available notwithstanding the employment in the design  
15          of subject matter excluded from protection under section  
16          1202 if the design is a substantial revision, adaptation,  
17          or rearrangement of such subject matter. Such protection  
18          shall be independent of any subsisting protection in sub-  
19          ject matter employed in the design, and shall not be con-  
20          strued as securing any right to subject matter excluded  
21          from protection under this chapter or as extending any  
22          subsisting protection under this chapter.

23   **“§ 1204. Commencement of protection**

24          “The protection provided for a design under this  
25          chapter shall commence upon the earlier of the date of

1 publication of the registration under section 1213(a) or  
 2 the date the design is first made public as defined by sec-  
 3 tion 1210(b).

4 **“§ 1205. Term of protection**

5 “(a) IN GENERAL.—Subject to subsection (b), the  
 6 protection provided under this chapter for a design shall  
 7 continue for a term of 10 years beginning on the date of  
 8 the commencement of protection under section 1204.

9 “(b) EXPIRATION.—All terms of protection provided  
 10 in this section shall run to the end of the calendar year  
 11 in which they would otherwise expire.

12 “(c) TERMINATION OF RIGHTS.—Upon expiration or  
 13 termination of protection in a particular design under this  
 14 chapter, all rights under this chapter in the design shall  
 15 terminate, regardless of the number of different articles  
 16 in which the design may have been used during the term  
 17 of its protection.

18 **“§ 1206. Design notice**

19 “(a) CONTENTS OF DESIGN NOTICE.—(1) Whenever  
 20 any design for which protection is sought under this chap-  
 21 ter is made public under section 1210(b), the owner of  
 22 the design shall, subject to the provisions of section 1207,  
 23 mark it or have it marked legibly with a design notice con-  
 24 sisting of—

1           “(A) the words ‘Protected Design’, the abbrev-  
2           viation ‘Prot’d Des.’, or the letter ‘D’ with a circle,  
3           or the symbol \*D\*;

4           “(B) the year of the date on which protection  
5           for the design commenced; and

6           “(C) the name of the owner, an abbreviation by  
7           which the name can be recognized, or a generally ac-  
8           cepted alternative designation of the owner.

9 Any distinctive identification of the owner may be used  
10 for purposes of subparagraph (C) if it has been recorded  
11 by the Administrator before the design marked with such  
12 identification is registered.

13          “(2) After registration, the registration number may  
14 be used instead of the elements specified in subparagraphs  
15 (B) and (C) of paragraph (1).

16          “(b) LOCATION OF NOTICE.—The design notice shall  
17 be so located and applied as to give reasonable notice of  
18 design protection while the useful article embodying the  
19 design is passing through its normal channels of com-  
20 merce.

21          “(c) SUBSEQUENT REMOVAL OF NOTICE.—When the  
22 owner of a design has complied with the provisions of this  
23 section, protection under this chapter shall not be affected  
24 by the removal, destruction, or obliteration by others of  
25 the design notice on an article.

1   **“§ 1207. Effect of omission of notice**

2           “(a) ACTIONS WITH NOTICE.—Except as provided in  
3 subsection (b), the omission of the notice prescribed in sec-  
4 tion 1206 shall not cause loss of the protection under this  
5 chapter or prevent recovery for infringement under this  
6 chapter against any person who, after receiving written  
7 notice of the design protection, begins an undertaking  
8 leading to infringement under this chapter.

9           “(b) ACTIONS WITHOUT NOTICE.—The omission of  
10 the notice prescribed in section 1206 shall prevent any re-  
11 covery under section 1223 against a person who began an  
12 undertaking leading to infringement under this chapter  
13 before receiving written notice of the design protection. No  
14 injunction shall be issued under this chapter with respect  
15 to such undertaking unless the owner of the design reim-  
16 burses that person for any reasonable expenditure or con-  
17 tractual obligation in connection with such undertaking  
18 that was incurred before receiving written notice of the  
19 design protection, as the court in its discretion directs.  
20 The burden of providing written notice of design protec-  
21 tion shall be on the owner of the design.

22   **“§ 1208. Exclusive rights**

23           “‘The owner of a design protected under this chapter  
24 has the exclusive right to—



1           “(1) make, have made, or import, for sale or  
2           for use in trade, any useful article embodying that  
3           design; and

4           “(2) sell or distribute for sale or for use in  
5           trade any useful article embodying that design.

6   **“§ 1209. Infringement**

7           “(a) ACTS OF INFRINGEMENT.—Except as provided  
8           in subsection (b), it shall be infringement of the exclusive  
9           rights in a design protected under this chapter for any  
10          person, without the consent of the owner of the design,  
11          within the United States and during the term of such pro-  
12          tection, to—

13           “(1) make, have made, or import, for sale or  
14           for use in trade, any infringing article as defined in  
15           subsection (e); or

16           “(2) sell or distribute for sale or for use in  
17           trade any such infringing article.

18          “(b) ACTS OF SELLERS AND DISTRIBUTORS.—A sell-  
19          er or distributor of an infringing article who did not make  
20          or import the article shall be deemed to have infringed  
21          on a design protected under this chapter only if that per-  
22          son—

23           “(1) induced or acted in collusion with a manu-  
24           facturer to make, or an importer to import such ar-  
25           ticle, except that merely purchasing or giving an

1       order to purchase such article in the ordinary course  
2       of business shall not of itself constitute such induce-  
3       ment or collusion; or

4               “(2) refused or failed, upon the request of the  
5       owner of the design, to make a prompt and full dis-  
6       closure of that person’s source of such article, and  
7       that person orders or reorders such article after re-  
8       ceiving notice by registered or certified mail of the  
9       protection subsisting in the design.

10       “(c) ACTS WITHOUT KNOWLEDGE.—It shall not be  
11   infringement under this section to make, have made, im-  
12   port, sell, or distribute, any article embodying a design  
13   which was created without knowledge that a design was  
14   protected under this chapter and was copied from such  
15   protected design.

16       “(d) ACTS IN ORDINARY COURSE OF BUSINESS.—A  
17   person who incorporates into that person’s product of  
18   manufacture an infringing article acquired from others in  
19   the ordinary course of business, or who, without knowl-  
20   edge of the protected design embodied in an infringing ar-  
21   ticle, makes or processes the infringing article for the ac-  
22   count of another person in the ordinary course of business,  
23   shall not be deemed to have infringed the rights in that  
24   design under this chapter except under a condition con-  
25   tained in paragraph (1) or (2) of subsection (b). Accepting

1 an order or reorder from the source of the infringing arti-  
2 cle shall be deemed ordering or reordering within the  
3 meaning of subsection (b)(2).

4 “(e) INFRINGING ARTICLE DEFINED.—As used in  
5 this section, an ‘infringing article’ is any article the design  
6 of which has been copied from a design protected under  
7 this chapter, without the consent of the owner of the pro-  
8 tected design. An infringing article is not an illustration  
9 or picture of a protected design in an advertisement, book,  
10 periodical, newspaper, photograph, broadcast, motion pic-  
11 ture, or similar medium. A design shall not be deemed to  
12 have been copied from a protected design if it is original  
13 and not substantially similar in appearance to a protected  
14 design.

15 “(f) ESTABLISHING ORIGINALITY.—The party to any  
16 action or proceeding under this chapter who alleges rights  
17 under this chapter in a design shall have the burden of  
18 establishing the design’s originality whenever the opposing  
19 party introduces an earlier work which is identical to such  
20 design, or so similar as to make prima facie showing that  
21 such design was copied from such work.

22 “(g) REPRODUCTION FOR TEACHING OR ANALY-  
23 SIS.—It is not an infringement of the exclusive rights of  
24 a design owner for a person to reproduce the design in  
25 a useful article or in any other form solely for the purpose

1 of teaching, analyzing, or evaluating the appearance, con-  
 2 cepts, or techniques embodied in the design, or the func-  
 3 tion of the useful article embodying the design.

4 **“§ 1210. Application for registration**

5       “(a) TIME LIMIT FOR APPLICATION FOR REGISTRA-  
 6 TION.—Protection under this chapter shall be lost if appli-  
 7 cation for registration of the design is not made within  
 8 two years after the date on which the design is first made  
 9 public.

10       “(b) WHEN DESIGN IS MADE PUBLIC.—A design is  
 11 made public when an existing useful article embodying the  
 12 design is anywhere publicly exhibited, publicly distributed,  
 13 or offered for sale or sold to the public by the owner of  
 14 the design or with the owner’s consent.

15       “(c) APPLICATION BY OWNER OF DESIGN.—Applica-  
 16 tion for registration may be made by the owner of the de-  
 17 sign.

18       “(d) CONTENTS OF APPLICATION.—The application  
 19 for registration shall be made to the Administrator and  
 20 shall state—

21               “(1) the name and address of the designer or  
 22 designers of the design;

23               “(2) the name and address of the owner if dif-  
 24 ferent from the designer;

1           “(3) the specific name of the useful article em-  
2       bodying the design;

3           “(4) the date, if any, that the design was first  
4       made public, if such date was earlier than the date  
5       of the application;

6           “(5) affirmation that the design has been fixed  
7       in a useful article; and

8           “(6) such other information as may be required  
9       by the Administrator.

10   The application for registration may include a description  
11   setting forth the salient features of the design, but the  
12   absence of such a description shall not prevent registration  
13   under this chapter.

14       “(e) SWORN STATEMENT.—The application for reg-  
15   istration shall be accompanied by a statement under oath  
16   by the applicant or the applicant’s duly authorized agent  
17   or representative, setting forth, to the best of the appli-  
18   cant’s knowledge and belief—

19           “(1) that the design is original and was created  
20       by the designer or designers named in the applica-  
21       tion;

22           “(2) that the design has not previously been  
23       registered on behalf of the applicant or the appli-  
24       cant’s predecessor in title; and

1           “(3) that the applicant is the person entitled to  
2           protection and to registration under this chapter.

3   If the design has been made public with the design notice  
4   prescribed in section 1206, the statement shall also de-  
5   scribe the exact form and position of the design notice.

6           “(f) EFFECT OF ERRORS.—(1) Error in any state-  
7   ment or assertion as to the utility of the useful article  
8   named in the application under this section, the design  
9   of which is sought to be registered, shall not affect the  
10   protection secured under this chapter.

11          “(2) Errors in omitting a joint designer or in naming  
12   an alleged joint designer shall not affect the validity of  
13   the registration, or the actual ownership or the protection  
14   of the design, unless it is shown that the error occurred  
15   with deceptive intent.

16          “(g) DESIGN MADE IN SCOPE OF EMPLOYMENT.—  
17   In a case in which the design was made within the regular  
18   scope of the designer’s employment and individual author-  
19   ship of the design is difficult or impossible to ascribe and  
20   the application so states, the name and address of the em-  
21   ployer for whom the design was made may be stated in-  
22   stead of that of the individual designer.

23          “(h) PICTORIAL REPRESENTATION OF DESIGN.—  
24   The application for registration shall be accompanied by  
25   two copies of a drawing or other pictorial representation

1 of the useful article embodying the design, having one or  
2 more views, adequate to show the design, in a form and  
3 style suitable for reproduction, which shall be deemed a  
4 part of the application.

5 “(i) DESIGN IN MORE THAN ONE USEFUL ARTI-  
6 CLE.—If the distinguishing elements of a design are in  
7 substantially the same form in different useful articles, the  
8 design shall be protected as to all such useful articles when  
9 protected as to one of them, but not more than one reg-  
10 istration shall be required for the design.

11 “(j) APPLICATION FOR MORE THAN ONE DESIGN.—  
12 More than one design may be included in the same appli-  
13 cation under such conditions as may be prescribed by the  
14 Administrator. For each design included in an application  
15 the fee prescribed for a single design shall be paid.

16 **“§ 1211. Benefit of earlier filing date in foreign coun-**  
17 **try**

18 “An application for registration of a design filed in  
19 the United States by any person who has, or whose legal  
20 representative or predecessor or successor in title has, pre-  
21 viously filed an application for registration of the same  
22 design in a foreign country which extends to designs of  
23 owners who are citizens of the United States, or to appli-  
24 cations filed under this chapter, similar protection to that  
25 provided under this chapter shall have that same effect

1 as if filed in the United States on the date on which the  
2 application was first filed in such foreign country, if the  
3 application in the United States is filed within 6 months  
4 after the earliest date on which any such foreign applica-  
5 tion was filed.

6 **“§ 1212. Oaths and acknowledgments**

7 “(a) IN GENERAL.—Oaths and acknowledgments re-  
8 quired by this chapter—

9 “(1) may be made—

10 “(A) before any person in the United  
11 States authorized by law to administer oaths; or

12 “(B) when made in a foreign country, be-  
13 fore any diplomatic or consular officer of the  
14 United States authorized to administer oaths,  
15 or before any official authorized to administer  
16 oaths in the foreign country concerned, whose  
17 authority shall be proved by a certificate of a  
18 diplomatic or consular officer of the United  
19 States; and

20 “(2) shall be valid if they comply with the laws  
21 of the State or country where made.

22 “(b) WRITTEN DECLARATION IN LIEU OF OATH.—

23 (1) The Administrator may by rule prescribe that any doc-  
24 ument which is to be filed under this chapter in the Office  
25 of the Administrator and which is required by any law,



1 rule, or other regulation to be under oath, may be sub-  
 2 scribed to by a written declaration in such form as the  
 3 Administrator may prescribe, and such declaration shall  
 4 be in lieu of the oath otherwise required.

5 “(2) Whenever a written declaration under paragraph  
 6 (1) is used, the document containing the declaration shall  
 7 state that willful false statements are punishable by fine  
 8 or imprisonment, or both, pursuant to section 1001 of title  
 9 18, and may jeopardize the validity of the application or  
 10 document or a registration resulting therefrom.

11 **“§ 1213. Examination of application and issue or re-**  
 12 **fusal of registration**

13 “(a) DETERMINATION OF REGISTRABILITY OF DE-  
 14 SIGN; REGISTRATION.—Upon the filing of an application  
 15 for registration in proper form under section 1210, and  
 16 upon payment of the fee prescribed under section 1216,  
 17 the Administrator shall determine whether or not the ap-  
 18 plication relates to a design which on its face appears to  
 19 be subject to protection under this chapter, and, if so, the  
 20 Register shall register the design. Registration under this  
 21 subsection shall be announced by publication. The date of  
 22 registration shall be the date of publication.

23 “(b) REFUSAL TO REGISTER; RECONSIDERATION.—  
 24 If, in the judgment of the Administrator, the application  
 25 for registration relates to a design which on its face is

1 not subject to protection under this chapter, the Adminis-  
2 trator shall send to the applicant a notice of refusal to  
3 register and the grounds for the refusal. Within 3 months  
4 after the date on which the notice of refusal is sent, the  
5 applicant may, by written request, seek reconsideration of  
6 the application. After consideration of such a request, the  
7 Administrator shall either register the design or send to  
8 the applicant a notice of final refusal to register.

9 “(c) APPLICATION TO CANCEL REGISTRATION.—Any  
10 person who believes he or she is or will be damaged by  
11 a registration under this chapter may, upon payment of  
12 the prescribed fee, apply to the Administrator at any time  
13 to cancel the registration on the ground that the design  
14 is not subject to protection under this chapter, stating the  
15 reasons for the request. Upon receipt of an application for  
16 cancellation, the Administrator shall send to the owner of  
17 the design, as shown in the records of the Office of the  
18 Administrator, a notice of the application, and the owner  
19 shall have a period of 3 months after the date on which  
20 such notice is mailed in which to present arguments to  
21 the Administrator for support of the validity of the reg-  
22 istration. The Administrator shall also have the authority  
23 to establish, by regulation, conditions under which the op-  
24 posing parties may appear and be heard in support of  
25 their arguments. If, after the periods provided for the

1 presentation of arguments have expired, the Administrator  
2 determines that the applicant for cancellation has estab-  
3 lished that the design is not subject to protection under  
4 this chapter, the Administrator shall order the registration  
5 stricken from the record. Cancellation under this sub-  
6 section shall be announced by publication, and notice of  
7 the Administrator's final determination with respect to  
8 any application for cancellation shall be sent to the appli-  
9 cant and to the owner of record.

10 **“§ 1214. Certification of registration**

11 “Certificates of registration shall be issued in the  
12 name of the United States under the seal of the Office  
13 of the Administrator and shall be recorded in the official  
14 records of the Office. The certificate shall state the name  
15 of the useful article, the date of filing of the application,  
16 the date of registration, and the date the design was made  
17 public, if earlier than the date of filing of the application,  
18 and shall contain a reproduction of the drawing or other  
19 pictorial representation of the design. If a description of  
20 the salient features of the design appears in the applica-  
21 tion, the description shall also appear in the certificate.  
22 A certificate of registration shall be admitted in any court  
23 as prima facie evidence of the facts stated in the certifi-  
24 cate.

1   **“§ 1215. Publication of announcements and indexes**

2           “(a) PUBLICATIONS OF THE ADMINISTRATOR.—The  
3 Administrator shall publish lists and indexes of registered  
4 designs and cancellations of designs and may also publish  
5 the drawings or other pictorial representations of reg-  
6 istered designs for sale or other distribution.

7           “(b) FILE OF REPRESENTATIVES OF REGISTERED  
8 DESIGNS.—The Administrator shall establish and main-  
9 tain a file of the drawings or other pictorial representa-  
10 tions of registered designs. The file shall be available for  
11 use by the public under such conditions as the Adminis-  
12 trator may prescribe.

13   **“§ 1216. Fees**

14           “The Administrator shall by regulation set reason-  
15 able fees for the filing of applications to register designs  
16 under this chapter and for other services relating to the  
17 administration of this chapter, taking into consideration  
18 the cost of providing these services and the benefit of a  
19 public record.

20   **“§ 1217. Regulations**

21           “The Administrator may establish regulations for the  
22 administration of this chapter.

23   **“§ 1218. Copies of records**

24           “Upon payment of the prescribed fee, any person may  
25 obtain a certified copy of any official record of the Office  
26 of the Administrator that relates to this chapter. That

1 copy shall be admissible in evidence with the same effect  
2 as the original.

3 **“§ 1219. Correction of errors in certificates**

4       “The Administrator may, by a certificate of correc-  
5 tion under seal, correct any error in a registration in-  
6 curred through the fault of the Office, or, upon payment  
7 of the required fee, any error of a clerical or typographical  
8 nature occurring in good faith but not through the fault  
9 of the Office. Such registration, together with the certifi-  
10 cate, shall thereafter have the same effect as if it had been  
11 originally issued in such corrected form.

12 **“§ 1220. Ownership and transfer**

13       “(a) PROPERTY RIGHT IN DESIGN.—The property  
14 right in a design subject to protection under this chapter  
15 shall vest in the designer, the legal representatives of a  
16 deceased designer or of one under legal incapacity, the em-  
17 ployer for whom the designer created the design in the  
18 case of a design made within the regular scope of the de-  
19 signer’s employment, or a person to whom the rights of  
20 the designer or of such employer have been transferred.  
21 The person in whom the property right is vested shall be  
22 considered the owner of the design.

23       “(b) TRANSFER OF PROPERTY RIGHT.—The prop-  
24 erty right in a registered design, or a design for which  
25 an application for registration has been or may be filed,

1 may be assigned, granted, conveyed, or mortgaged by an  
2 instrument in writing, signed by the owner, or may be be-  
3 queathed by will.

4 “(c) OATH OR ACKNOWLEDGEMENT OF TRANS-  
5 FER.—An oath or acknowledgment under section 1212  
6 shall be prima facie evidence of the execution of an assign-  
7 ment, grant, conveyance, or mortgage under subsection  
8 (b).

9 “(d) RECORDATION OF TRANSFER.—An assignment,  
10 grant, conveyance, or mortgage under subsection (b) shall  
11 be void as against any subsequent purchaser or mortgagee  
12 for a valuable consideration, unless it is recorded in the  
13 Office of the Administrator within 3 months after its date  
14 of execution or before the date of such subsequent pur-  
15 chase or mortgage.

16 **“§ 1221. Remedy for infringement**

17 “(a) IN GENERAL.—The owner of a design is enti-  
18 tled, after issuance of a certificate of registration of the  
19 design under this chapter, to institute an action for any  
20 infringement of the design.

21 “(b) REVIEW OF REFUSAL TO REGISTER.—(1) Sub-  
22 ject to paragraph (2), the owner of a design may seek judi-  
23 cial review of a final refusal of the Administrator to reg-  
24 ister the design under this chapter by bringing a civil ac-  
25 tion, and may in the same action, if the court adjudges

1 the design subject to protection under this chapter, en-  
2 force the rights in that design under this chapter.

3 “(2) The owner of a design may seek judicial review  
4 under this section if—

5 “(A) the owner has previously duly filed and  
6 prosecuted to final refusal an application in proper  
7 form for registration of the design;

8 “(B) the owner causes a copy of the complaint  
9 in the action to be delivered to the Administrator  
10 within 10 days after the commencement of the ac-  
11 tion; and

12 “(C) the defendant has committed acts in re-  
13 spect to the design which would constitute infringe-  
14 ment with respect to a design protected under this  
15 chapter.

16 “(c) ADMINISTRATOR AS PARTY TO ACTION.—The  
17 Administrator may, at the Administrator’s option, become  
18 a party to the action with respect to the issue of  
19 registrability of the design claim by entering an appear-  
20 ance within 60 days after being served with the complaint,  
21 but the failure of the Administrator to become a party  
22 shall not deprive the court of jurisdiction to determine that  
23 issue.

24 “(d) USE OF ARBITRATION TO RESOLVE DISPUTE.—  
25 The parties to an infringement dispute under this chapter,

1 within such time as may be specified by the Administrator  
2 by regulation, may determine the dispute, or any aspect  
3 of the dispute, by arbitration. Arbitration shall be gov-  
4 erned by title 9. The parties shall give notice of any arbi-  
5 tration award to the Administrator, and such award shall,  
6 as between the parties to the arbitration, be dispositive  
7 of the issues to which it relates. The arbitration award  
8 shall be unenforceable until such notice is given. Nothing  
9 in this subsection shall preclude the Administrator from  
10 determining whether a design is subject to registration in  
11 a cancellation proceeding under section 1213(c).

12 **§ 1222. Injunctions**

13 “(a) IN GENERAL.—A court having jurisdiction over  
14 actions under this chapter may grant injunctions in ac-  
15 cordance with the principles of equity to prevent infringe-  
16 ment of a design under this chapter, including, in its dis-  
17 cretion, prompt relief by temporary restraining orders and  
18 preliminary injunctions.

19 “(b) DAMAGES FOR INJUNCTIVE RELIEF WRONG-  
20 FULLY OBTAINED.—A seller or distributor who suffers  
21 damage by reason of injunctive relief wrongfully obtained  
22 under this section has a cause of action against the appli-  
23 cant for such injunctive relief and may recover such relief  
24 as may be appropriate, including damages for lost profits,  
25 cost of materials, loss of good will, and punitive damages



1 in instances where the injunctive relief was sought in bad  
2 faith, and, unless the court finds extenuating cir-  
3 cumstances, reasonable attorney’s fees.

4 **“§ 1223. Recovery for infringement**

5       “(a) DAMAGES.—Upon a finding for the claimant in  
6 an action for infringement under this chapter, the court  
7 shall award the claimant damages adequate to compensate  
8 for the infringement. In addition, the court may increase  
9 the damages to such amount, not exceeding \$50,000 or  
10 \$1 per copy, whichever is greater, as the court determines  
11 to be just. The damages awarded shall constitute com-  
12 pensation and not a penalty. The court may receive expert  
13 testimony as an aid to the determination of damages.

14       “(b) INFRINGER’S PROFITS.—As an alternative to  
15 the remedies provided in subsection (a), the court may  
16 award the claimant the infringer’s profits resulting from  
17 the sale of the copies if the court finds that the infringer’s  
18 sales are reasonably related to the use of the claimant’s  
19 design. In such a case, the claimant shall be required to  
20 prove only the amount of the infringer’s sales and the in-  
21 fringer shall be required to prove its expenses against such  
22 sales.

23       “(c) STATUTE OF LIMITATIONS.—No recovery under  
24 subsection (a) or (b) shall be had for any infringement

1 committed more than 3 years before the date on which  
2 the complaint is filed.

3 “(d) ATTORNEY’S FEES.—In an action for infringe-  
4 ment under this chapter, the court may award reasonable  
5 attorney’s fees to the prevailing party.

6 “(e) DISPOSITION OF INFRINGING AND OTHER ARTI-  
7 CLES.—The court may order that all infringing articles,  
8 and any plates, molds, patterns, models, or other means  
9 specifically adapted for making the articles, be delivered  
10 up for destruction or other disposition as the court may  
11 direct.

12 **“§ 1224. Power of court over registration**

13 “In any action involving the protection of a design  
14 under this chapter, the court, when appropriate, may  
15 order registration of a design under this chapter or the  
16 cancellation of such a registration. Any such order shall  
17 be certified by the court to the Administrator, who shall  
18 make an appropriate entry upon the record.

19 **“§ 1225. Liability for action on registration fraudu-**  
20 **lently obtained**

21 “Any person who brings an action for infringement  
22 knowing that registration of the design was obtained by  
23 a false or fraudulent representation materially affecting  
24 the rights under this chapter, shall be liable in the sum  
25 of \$10,000, or such part of that amount as the court may

1 determine. That amount shall be to compensate the de-  
2 fendant and shall be charged against the plaintiff and paid  
3 to the defendant, in addition to such costs and attorney's  
4 fees of the defendant as may be assessed by the court.

5 **“§ 1226. Penalty for false marking**

6 “(a) IN GENERAL.—Whoever, for the purpose of de-  
7 ceiving the public, marks upon, applies to, or uses in ad-  
8 vertising in connection with an article made, used, distrib-  
9 uted, or sold, a design which is not protected under this  
10 chapter, a design notice specified in section 1206, or any  
11 other words or symbols importing that the design is pro-  
12 tected under this chapter, knowing that the design is not  
13 so protected, shall pay a civil fine of not more than \$500  
14 for each such offense.

15 “(b) SUIT BY PRIVATE PERSONS.—Any person may  
16 sue for the penalty established by subsection (a), in which  
17 event one-half of the penalty shall be awarded to the per-  
18 son suing and the remainder shall be awarded to the  
19 United States.

20 **“§ 1227. Penalty for false representation**

21 “Whoever knowingly makes a false representation  
22 materially affecting the rights obtainable under this chap-  
23 ter for the purpose of obtaining registration of a design  
24 under this chapter shall pay a penalty of not less than  
25 \$500 and not more than \$1,000, and any rights or privi-

1 leges that individual may have in the design under this  
2 chapter shall be forfeited.

3 **“§ 1228. Enforcement by Treasury and Postal Service**

4       “(a) REGULATIONS.—The Secretary of the Treasury  
5 and the United States Postal Service shall separately or  
6 jointly issue regulations for the enforcement of the rights  
7 set forth in section 1208 with respect to importation. Such  
8 regulations may require, as a condition for the exclusion  
9 of articles from the United States, that the person seeking  
10 exclusion take any one or more of the following actions:

11               “(1) Obtain a court order enjoining, or an order  
12 of the International Trade Commission under sec-  
13 tion 337 of the Tariff Act of 1930 excluding, impor-  
14 tation of the articles.

15               “(2) Furnish proof that the design involved is  
16 protected under this chapter and that the importa-  
17 tion of the articles would infringe the rights in the  
18 design under this chapter.

19               “(3) Post a surety bond for any injury that  
20 may result if the detention or exclusion of the arti-  
21 cles proves to be unjustified.

22       “(b) SEIZURE AND FORFEITURE.—Articles imported  
23 in violation of the rights set forth in section 1208 are sub-  
24 ject to seizure and forfeiture in the same manner as prop-  
25 erty imported in violation of the customs laws. Any such

1 forfeited articles shall be destroyed as directed by the Sec-  
2 retary of the Treasury or the court, as the case may be,  
3 except that the articles may be returned to the country  
4 of export whenever it is shown to the satisfaction of the  
5 Secretary of the Treasury that the importer had no rea-  
6 sonable grounds for believing that his or her acts con-  
7 stituted a violation of the law.

8 **“§ 1229. Relation to design patent law**

9 “The issuance of a design patent under title 35 for  
10 an original design for an article of manufacture shall ter-  
11 minate any protection of the original design under this  
12 chapter.

13 **“§ 1230. Common law and other rights unaffected**

14 “Nothing in this chapter shall annul or limit—

15 “(1) common law or other rights or remedies,  
16 if any, available to or held by any person with re-  
17 spect to a design which has not been registered  
18 under this chapter; or

19 “(2) any right under the trademark laws or any  
20 right protected against unfair competition.

21 **“§ 1231. Administrator; Office of the Administrator**

22 “In this chapter, the ‘Administrator’ is the Register  
23 of Copyrights, and the ‘Office of the Administrator’ and  
24 the ‘Office’ refer to the Copyright Office of the Library  
25 of Congress.

1 **“§ 1232. No retroactive effect**

2 “Protection under this chapter shall not be available  
3 for any design that has been made public under section  
4 1210(b) before the effective date of this chapter.”.

5 **SEC. 3. CONFORMING AMENDMENTS.**

6 (a) TABLE OF CHAPTERS.—The table of chapters for  
7 title 17, United States Code, is amended by adding at the  
8 end the following:

**“12. Protection of Original Designs ..... 1201”.**

9 (b) JURISDICTION OF DISTRICT COURTS OVER DE-  
10 SIGN ACTIONS.—(1) Section 1338(c) of title 28, United  
11 States Code, is amended by inserting “, and to exclusive  
12 rights in designs under chapter 12 of title 17,” after “title  
13 17”.

14 (2)(A) The section heading for section 1338 of title  
15 28, United States Code, is amended by inserting “**de-**  
16 **signs,**” after “**mask works,**”.

17 (B) The item relating to section 1338 in the table  
18 of sections at the beginning of chapter 85 of title 28,  
19 United States Code, is amended by inserting “designs,”  
20 after “mask works,”.

21 (c) PLACE FOR BRINGING DESIGN ACTIONS.—Sec-  
22 tion 1400(a) of title 28, United States Code, is amended  
23 by inserting “or designs” after “mask works”.

24 (d) ACTIONS AGAINST THE UNITED STATES.—Sec-  
25 tion 1498(e) of title 28, United States Code, is amended

1 by inserting “, and to exclusive rights in designs under  
2 chapter 12 of title 17,” after “title 17”.

3 **SEC. 4. EFFECTIVE DATE.**

4       The amendments made by sections 2 and 3 shall take  
5 effect one year after the date of the enactment of this Act.

        Passed the House of Representatives March 18,  
1998.

Attest:

Robin H. Carle,  
*Clerk.*